**State of Indiana**

**RFP 20-011**

**OECOSL Quality Assurance (QA) System**

**Attachment H – Scope of Work**

1. **Introduction**

This is a Request for Proposals (RFP) issued by the Indiana Department of Administration (IDOA) in conjunction with the Indiana Family and Social Services Administration (FSSA), Office of Early Childhood Out of School Learning (OECOSL). This RFP requests the design, development, and implementation (DDI) of a new Quality Assurance (QA) system to review data stored within the OECOSL systems and check the eligibility processes for select OECOSL programs. This RFP will also cover the maintenance and operations (M&O) for the implemented system. It is the intent of IDOA to solicit responses to this RFP in accordance with the statement of work and specifications contained in this document. All Respondents shall propose one (1) solution on one (1) platform for the purposes of this RFP.

1. **Project Overview and Background**

The Contractor shall implement a cloud-based, easily configurable solution that will be able to provide QA functionalities for the data stored within the Automated Intake System (AIS) and for the eligibility processes of the Child Care Development Fund (CCDF) and On My Way Pre-K programs. The implemented solution shall replace the current QA functionalities rather than update or modernize the current QA system. The State prefers that the Contractor implement a cloud-based commercial-off-the-shelf (COTS) solution; however, the Contractor may also build a cloud-based solution that is pre-built and may utilize a commercially available platform.

**2.1. Objectives**

While a system currently exists within OECOSL to assist with the QA functionalities for the data stored within AIS and for the eligibility processes of the CCDF and On My Way Pre-K programs, the State is looking to upgrade to a new system that will comply with updated Federal and State regulations as seen in the CCDF Policy Manual (<https://www.in.gov/fssa/files/CCDF_Pre_K_Manual.pdf>), expedite the QA process, maintain accuracy in its QA functionalities, and interface with newly upgraded systems.

By upgrading to a new system, the State sees an opportunity to make the current QA process more efficient, while maintaining a strong level of accuracy in detecting errors in the data and the processes. This includes reducing the number of people and steps involved in the QA process. The State also understands that Federal and State guidelines around the QA of these programs have changed. The State expects the new solution to comply with all updated Federal and State guidelines. Additionally, the State expects that by updating to a new system, the QA solution will be better able to interface with other systems in OECOSL and provide improved QA reporting on the CCDF and On My Way Pre-K programs. Anticipated additional benefits from upgrading to a new system include, but are not limited to:

1. User-friendly user interface (intuitive design), including:
   1. Ability to enter information easily
   2. Ability to pull information easily
   3. Ability to view information and outputs easily
   4. Fluid workflow process (queues)
   5. Auto-generated outputs to OECOSL indicating what action is needed (including but not limited to reports, letters, and monitoring outcomes)
2. Flexibility to adjust to regulatory or process changes
3. Increased efficiency by moving from manual to automated error type determination (e.g. administrative errors vs critical errors)
4. Better tracking of appeals and repayments
5. Automated calculation of repayments due to errors that cause improper payments
6. More robust reporting capabilities that use predetermined fields to generate customized reports
7. Ability to calculate the error rate of Intake Agents and determine monitoring scores
8. Better, insightful reports to support business needs
9. Ability to easily track, display, and generate reports on error trends using a customized dashboard

**2.2. Program Background**

**2.2.1. Office of Early Childhood and Out of State Learning (OECOSL)**

The mission of OECOSL is to provide parents with informed child care choices that will aid their children’s health, safety, and future success in school. To accomplish this, OECOSL manages programs that oversee the early education, development, and care of children in programs such as CCDF and On My Way Pre-K. The services OECOSL provides include child care assistance for:

* Low-income working families
* Parents in education or training programs
* Efforts to improve the availability of child care for toddlers, infants, school-aged children, and children with special needs.

OECOSL is also responsible for licensing child care homes and centers, registering unlicensed child care ministries and the On My Way Pre-K program sites.

**2.2.2. CCDF Program Overview**

One of the programs that OECOSL oversees is the Child Care Development Block Grant (CCDBG), a Federal program operated by the Department of Health and Human Services Administration for Children and Families. CCDBG funds numerous initiatives designed to help qualifying parents pay for child care and to improve the quality of early care and education (ECE) and Out of School Time (OST) programs. Through this Federal partnership, the State provides child care assistance to low-income families and parents in education or training programs through the CCDF voucher program.

The CCDF program helps low-income families obtain child care so that they may work or attend school. OECOSL is responsible under Indiana statute for the licensing, registration and CCDF certification of child care and early learning programs. As such, OECOSL inspects and monitors for compliance over 4,000 different programs, conducting over 6,000 annual visits.

The CCDF program includes Federal-mandated QA responsibilities that are carried out by OECOSL. The QA functionalities ensure that the data for each case is captured correctly, that ineligible families are not receiving payments, and that eligible families are receiving correct payments.

**2.2.3. On My Way Pre-K Program Overview**

The On My Way Pre-K program awards grants to four (4) year old children from low-income families so that they may have access to a high-quality pre-K program the year before they begin kindergarten. Families who receive a grant may use the grant at any approved On My Way Pre-K program in one of the twenty (20) pilot counties. Eligible families must have a 4-year-old child that is a resident of Indiana, have parents/guardians with a service need, and earn less than 127 percent of Federal poverty level.

The On My Way Pre-K program includes State-mandated QA responsibilities that are carried out by OECOSL. The QA functionalities ensure that the data for each case is captured correctly, that ineligible families are not receiving payments, and that eligible families are receiving correct payments.

**2.3. Technical Background**

**2.3.1. Automated Intake System (AIS) Overview**

AIS is a web-based application that is used to maintain data on approximately 55,000 children, 30,000 families, and 5,000 providers each year. The data collected by AIS includes family demographics, information used to determine eligibility, and specific terms of family and children enrollment. AIS integrates with a scanning system that consists of 15 scanning stations at intake agency sites. Documentation for every case is scanned into AIS. Client eligibility and intake functions are performed by intake agents in each county through the use of AIS. The intake agents use the information to determine if families are eligible for the CCDF program or if children are eligible for the On My Way Pre-K program. Benefit type, funding amount, and eligibility data are all stored for each case in AIS. Currently, AIS is hosted in a data center with State-owned infrastructure by a third-party vendor.

**2.3.2. Current QA System Overview**

Currently, the State has a system that performs QA functionalities for the CCDF program in order to ensure that OECOSL is correctly assigning eligibility. The system accesses the scanned images from AIS and, with human staff support, checks if entered information, documentation collected, and resulting eligibility decisions are correct. Additionally, the State uses the application to conduct program monitoring, record errors in the eligibility process, and track error corrections.

The data storage and validation for the On My Way Pre-K program was recently transferred to AIS. Though On My Way Pre-K data and processes are not monitored by the current system, they will be monitored by the future system.

The current system has been in operation for 10 years and would require significant updates to work more efficiently with newer OECOSL processes and meet changing State and Federal requirements.

The following diagram illustrates how the QA system, or the monitoring application, interacts with other OECOSL systems.

Diagram 2.3.2. Monitoring Application’s Role in Automation



**3. Systems Requirements**

The following subsections capture the high level functional and technical requirements for the system.

**3.1. High Level Functional Requirements**

**3.1.1. General System Requirements**

At a high level, the QA system must have these general system requirements:

1. Connect to AIS and the correlated AIS Image Repository. The system must be able to pull data from AIS and report data back to AIS
2. Provide easy access and display important information and documents
3. Maintain a built-in dashboard to display real-time data
4. Determine proper workflow process and organize cases based on these business workflows
5. Categorize cases by the following monitoring criteria: corrections, new/initial, updates, and reauthorization
6. Track critical errors found by county and by region to ensure correct calculation of case repayment and error percentages
7. Track occurrences of errors, appeals, and repayments by county and region and use this information to auto-generate grantee accuracy reports and 45-day letters
8. Track and update lists of “actions needed” and “actions taken” by OECOSL
9. Provide automated determinations for error type (e.g., administrative vs. critical errors)

**3.1.2. Requirements Associated with Review Eligibility Decisions**

The system shall be used by the State to ensure that eligibility is correctly administered in all CCDF and On My Way Pre-K cases. The system shall be able to assist in ensuring that the following requirements are met:

1. Ensure eligibility is determined within the State’s designated timeframes
2. Ensure that documentation collected and information entered into AIS for the determination of eligibility are accurate. These include, but are not limited to, the following elements:
   1. Determine whether required eligibility forms met all State and Federal policies in effect during the sample month
   2. Determine whether the client met the criteria of any State-designated priority group (e.g., special needs or low income)
   3. Determine whether the client met the parent definition
   4. Determine whether the client was a resident according to State policy
   5. Determine whether the number of hours of care authorized for the sample month were correct based on State policy
   6. Determine whether services were provided by a center-based child care provider, a group home child care provider, a family child care provider, or an in-home child care provider, and that the provider met all applicable requirements, including health and safety requirements
   7. Compare the eligibility worker's subsidy amount to the reviewer's subsidy amount to ensure it is the same

**3.1.3. Requirements Associated with Conducting Improper Payment Review**

The system shall be used by the State to ensure that payments are properly administered in all CCDF and On My Way Pre-K cases. The system shall support improper payment review, ensuring that the following requirements are met:

* 1. Ensure reimbursements are only going to eligible providers
  2. Ensure subsidies and copays are calculated correctly for overpayment and/or underpayment
  3. Ensure reimbursement are only being provided to families who meet all eligibility standards by comparing the correct payment to the actual payment to determine if an over/under payment occurred

**3.1.4. Requirements Associated with Ensuring Compliance with Federal Rule**

The system shall ensure that the State is compliant with 45 CFR 98 (the CCDF Federal rule) for CCDF and On My Way Pre-K cases. This support includes the following requirements:

* 1. Determine the requirements for compliance report review
  2. Capture elements used to ensure compliance as outlined in the CCDF Eligibility Requirements such as:
     1. Residency
     2. Child Identity
     3. Child Citizenship
     4. Foster Children
     5. Child with Special Needs
     6. CCDF Household Members
     7. Applicant Identity
     8. Co-Applicant Identity
     9. Service Need Eligibility
     10. Financial Eligibility
  3. Perform spot-check samples of cases that were reviewed for eligibility and improper payment
  4. Ensure 53 weeks eligibility is granted for all CCDF and On My Way Pre-K cases being monitored
  5. Allow for fluctuating income for all CCDF and On My Way Pre-K cases being monitored
  6. Ensure excessive absence is properly handled for all CCDF and On My Way Pre=K cases being monitored
  7. Ensure Federal guidelines around the Federal rules for 85% State Median Income (SMI) are met
  8. Ensure 13 year-olds receive services through the end of the current subsidy period
  9. Ensure Consumer Education and Consumer Statement information is distributed
  10. Ensure the applicant does not have over $1 million in assets
  11. Ensure the applicant is a resident of the State of Indiana

**3.2. High Level Technical Requirements**

The high-level technical requirements for the system are provided below.

* + 1. Must support the volume of all QA activities, which averages around 40,000 kids and 20,000-25,000 cases a year, with the ability to readily scale up to support increasing volume with all relevant systems.
    2. Provide an intuitive, user-friendly functionality that enhances the user experience for all end user types. Provide streamlined navigation, where there is a minimal number of screens and clicks to accomplish a task
    3. Accommodate users, which may be the monitoring staff and/or State staff, accessing the system using either laptop or desktop hardware running current supported versions of Microsoft operating system and Apple operating system.
    4. Comply with the following security and privacy requirements

1. Secure transmission – Encrypt all in transit system communications
2. Data integrity and validity - Provide the ability to confirm data integrity and validity via various cross-referencing field verification checks.
3. Encryption of sensitive data such as Personal Identifiable Information (PII) such as Social Security numbers
4. Support complex passwords and enforce periodic resetting of passwords
   * 1. Provide the ability to define and maintain appropriate, security-based user rolls/permissions to limit users to the appropriate level of access and information
     2. Include backup and disaster recovery capabilities – ensure system compiles with all State backup and disaster recovery requirements
     3. Ensures all records are maintained in an auditable and readily accessible way. Provides the ability to track and report upon entries and changes made by all users (including administrators) in the system. Time/date stamp and user ID for all entries to provide an audit trail of transactions.

**4. Design, Development, and Implementation (DDI) Deliverables**

To implement the system, the Contractor shall utilize a system development lifecycle methodology (e.g., waterfall, agile, hybrid, etc.) of their choosing which best meets the needs of the State based on their experience with similar projects and environments.

At a minimum the following deliverables (or equivalent with prior approval from OECOSL) must be completed by the Contractor and accepted by OECOSL. Deliverables are considered complete when they are approved by the State.

Requirements Validation

Design

Development

Data Conversion and Migration

Testing

Implementation

**4.1. Requirements Validation**

The purpose of the Requirements Validation deliverable is to validate OECOSL’s requirements identified in this Contract and identify any additional requirements necessary to determine how and where the requirements are met in the Contractor’s solution.

* + 1. The Contractor shall validate the high-level business/functional and technical requirements with OECOSL, perform a gap analysis against the proposed system, identify gaps, and define customization options and processes.
    2. The Contractor shall review all legacy systems and artifacts (e.g., documentation, forms, reports, etc.).
    3. The Contractor shall meet with all relevant stakeholders to document business processes, technical requirements, Federal and State requirements, and workflows.
    4. The Contractor shall work with OECOSL staff to develop comprehensive business process workflows of existing processes.
    5. The Contractor shall define and report all necessary gaps and define customization options within their solution.
    6. In order to complete this deliverable, the Contractor shall deliver:
       1. A Project Management Plan as described in Section 5.3
       2. A Requirements Definition Document, with updated business process flows
       3. Detailed Functional and Technical Requirements Traceability Matrices
       4. A glossary of terms and acronyms to accompany requirements documents

The Contractor shall perform a thorough walk-through demonstration of their proposed system showing how it supports OECOSL business processes and outcomes and explain the various options to address the gaps in software functionality. Based on the results of the review, OECOSL, in conjunction with the Contractor, shall make decisions on how the gaps will be addressed.

**4.2. Design**

As part of the Design deliverable, the Contractor shall be responsible for the following activities:

* + 1. Lead architecture, design, and development discussions. Note: The Contractor shall factor in user experience (UX) considerations into the design process and outputs, particularly with respect to the entry portal and the business processes that drive the system.
    2. Organize and conduct design sessions with subject matter experts to develop the detailed system design.
    3. Provide input and conform to the direction of the State IT standards.
    4. Facilitate design sessions required to support system development and interfaces to external and internal data sources.
    5. Develop the overall system Architecture Design suite, comprised of the following components, which must receive State approval:
       1. Architectural System Design
       2. Interface design
       3. Database design that includes creation/maintenance of a logical data model, data definition/dictionary, data sharing standards, and data security standards
    6. Develop detailed functional design, including business rules documentation.
    7. Develop designs for any forms and reports, as needed.
    8. Develop the technical environment specifications for the system, including all necessary hardware, software, and tools requested or required to implement the system without adversely impacting existing systems and to support the system.

The Design deliverable shall be considered complete when the design of the system is approved by the State.

**4.3. Development**

The objectives for the Development deliverable are to install, modify, and develop the system and to perform unit, system, integration, and acceptance testing to ensure all requirements are satisfied. In order to do this, the Contractor must establish its hardware, software, and network environment, including connection to the State network. The Contractor’s development approach must incorporate appropriate government and industry best practices and be in accordance with the approved standards.

* + 1. The Contractor shall be responsible for the following activities:

1. Apply consistent development standards including coding, database, and field naming conventions, in alignment with industry standards
2. Perform/support all necessary testing activities required to implement the interfaces
3. Perform necessary configuration, development, and testing required to implement the functional and technical design. See Section 4.4 for Data Conversion and Migration and Section 4.5 for Testing for additional information on the requirements for these activities
4. Provide and implement application lifecycle management processes to manage requirements through the entire application lifecycle
5. For any customizations to the Contractor’s COTS software, provide the State with access to both source/object codes for software components and documentation. Note: All new software functionality built on top of any COTS software will be owned by the State.
   * 1. The Contractor must produce updated system documentation including, but not limited to:
6. A logical and graphical depiction of all process and data element information and their relationships, including an indication of processes that are event or time-dependent
7. A logical depiction of the physical layout and storage of databases, tables, and records
8. Detailed data storage and data access specifications
9. Detailed layouts of menus, windows, reports, and forms
10. A graphical depiction of the overall architecture
11. A description of the overall application architecture including primary components/modules, navigational structure, etc.
12. A description of architectural components that provide generic system functions in support of the application, such as printing, batch, error handling, security, etc.
13. Detailed hardware and software specifications
14. A graphical depiction of the linkage of batch programs into a physical control process that represents an executable sequence for production
15. Program specifications, including a graphical depiction of the functional organization of each program

The Development deliverable shall be considered complete when the development of the system is approved by the State.

**4.4. Data Conversion and Migration**

The Contractor’s responsibilities for the Data Conversion and Migration deliverable include, but are not limited to:

* + 1. Examine the data from the existing sources to identify data challenges early in the project for the data conversion/migration effort and compile a list of defined rules to be built to address challenges.
    2. Develop a Data Conversion and Migration Plan to describe the conversion and migration strategy.

1. The Data Conversion Plan will describe the mapping of legacy data to the new system, as well as the methodology and schedule for conversion, migration, and data validation. Also included should be a list of the legacy data to be included in the migration and legacy data that can be archived. The State and the Contractor will work to define an archival data strategy for archiving historical data that is no longer needed, following State records management rules. The State currently maintains 10 years of data, 7 of which are in AIS while the rest are in an archival database.
2. The plan shall also discuss if there is a concurrent period of operation where data will be maintained in the new and legacy systems, how will data be synchronized during concurrent operations, and which system contains the official record during concurrent operations.
   * 1. Provide a data dictionary, data models, data flow models, process models, and other related planning and design documents to the State in a timely manner prior to data conversion/migration validation.
     2. Develop scripts to convert high volume data objects automatically.
     3. Provide tools to minimize the manual effort required to convert data from the legacy solution and/or synchronize the data between the initial release and the retirement of legacy systems.
     4. Lead data conversion and migration activities including developing a schedule for all data mapping and conversion activities involving State resources.
3. Coordinate all automated and manual data loads during data conversion.
4. Based on the data migration plan and all accompanying data documents, migrate cleansed/converted legacy data to a test environment for demonstrations, system and unit testing, and UAT.
5. Develop audit trails and logs to ensure that all data has been correctly migrated and, when appropriate, that the correct synchronization has been achieved.
6. To the degree necessary to meet the Contractor’s needs and to meet requirements of this Scope, establish, maintain, implement and manage software tools to include but not be limited to Source Data Extraction and Transformation, Data Cleansing, Data Load, Data Refresh, Data Access, Security Enforcement, Version Control/Configuration Management, Backup and Recovery, Performance Monitoring, Database Management, Platform, Data Modeling, and Metadata Modelling.

The Data Conversion and Migration deliverable shall be considered complete when the data has been successfully converted and migrated to the new system and is approved by the State.

**4.5. Testing**

The Contractor’s responsibilities for the Testing deliverable include, but are not limited to:

* + 1. Develop a Master Test Plan that must be approved by the State before testing activities can begin. The Master Test Plan covers the approach and methodology for all aspects of testing, including but not limited to the test cases, methods for tracking pass-fail test results, testing tools, staff/resources, method for review of test case and procedures, and entry/exit criteria for each phase of testing (e.g., number and types (severity) of defects).
    2. Manage the following test cycles: construction and unit test, system test, performance test, regression test, integration test, interface test, security test, system end-to-end test, Operational Readiness Review (ORR), and implementation test.
    3. Support User Acceptance Testing (UAT) when requested.
    4. Develop test scripts covering all of the functionality for each testing cycle in collaboration with the State. Assist the State in developing UAT test scripts when requested.
    5. Support the testing environment including, but not limited to, creating the test datasets, creating de-identified test data sets, and resetting the test data to support the re-running of test scripts.
    6. Provide defect management tool(s) and procedures for tracking, managing, and reporting system defects during testing. Please see Section 4.5.1 for additional information on Defect Management.
    7. Refine, update, and make available all test documents, procedures, and scripts throughout development and through full system acceptance to reflect the current requirements.

The Testing deliverable shall be considered complete when testing is complete, all identified defects are resolved, and the State approves the results.

**4.5.1. Defect Management**

The Contractor shall resolve identified defects within the system. As part of testing, the Contractor shall do so according to the approved Master Test Plan (the State will decide on entry/exit criteria of moving from one testing phase to another). The defect severity level categorizations are provided in the chart below.

| **Severity Level** | **Description** | **Example** |
| --- | --- | --- |
| Critical | System Failure. No further processing is possible. | Critical to solution availability, results, functionality, performance, or usability. |
| High | Unable to proceed with selected function or dependents. | Critical component unavailable or functionally incorrect (workaround is not available). |
| Medium | Restricted function capability; however, processing can continue. | Non-critical component unavailable or functionally incorrect; incorrect calculation results in functionally critical key fields/dates (workaround is normally available). |
| Low | Minor cosmetic change. | Usability errors; screen or report errors that do not materially affect the quality and correctness of function, intended use, or results. |

Defects identified during UAT testing must be fixed within the following timeframes:

1. Critical Severity defects: within two (2) business days of identification
2. High Severity defects: within two (2) business weeks of identification
3. Medium and Low Severity defects will be determined with the State in the Master Test Plan.

Defects identified after Implementation and during the M&O period must be fixed within the following timeframes:

1. Critical Severity defects: within one (1) hour of identification
2. High Severity defects: within one (1) business day of identification
3. Medium Severity defects: within three (3) business days of identification
4. Low Severity defects: within one (1) week of identification

Defect Logging Guidelines: Defects should be well-written in the log and minimize the need for clarifications. Where possible, the tester should include screenshots of the error, videos of the test process that resulted in the subject defect, or similar information that will allow the State to make an assessment of the defect and the Contractor to design and develop a complete fix.

**4.6. Implementation**

For the Implementation deliverable, the Contractor shall receive State approval for their approach to system implementation. At a minimum, the Contractor must fulfill the following responsibilities, regardless of approach:

* + 1. Provide guidance regarding the Implementation plan and help develop the plan, including identifying the scope, participants, timeline, risks, and mitigation strategies.
    2. Conduct a pre-implementation readiness assessment.
    3. Develop the Release Plan, which shall also include both pre-production and production releases. It shall include, but is not limited to, release planning and management, rollout planning and management, release testing, and software and data distribution.
    4. The Contractor shall address and fix all findings and work with the State to gain formal written acceptance before Implementation.
    5. Develop all necessary user guides
    6. Conduct training per approved Training Plan.
    7. Roll out the Implementation according to the approved plan and without any disruptions to the normal operations.
    8. Lead check-point meetings and provide relevant information to help the State make informed decisions.

The Implementation deliverable shall be considered complete when the system has been successfully implemented and is approved by the State.

**5. Project Management**

**5.1. Deliverable Development, Review, and Approval**

The primary responsibility of the Contractor is the production and maintenance of project deliverables. The State expects that the Contractor will be prepared to make available for review individual components of deliverables, in draft form, where applicable. The Contractor shall collaborate with assigned State staff during the development of deliverables. The goal is to reduce expectation gaps related to the content of the deliverable and, therefore, expedite the approval process.

The Contractor shall be responsible for maintaining deliverables and documentation throughout the project. The Contractor shall update and deliver revised documentation from previous tasks at the completion of a subsequent task or subtask that impacts the accuracy of previously delivered documentation.

* + 1. **Deliverable Review and Approval**
       1. The Contractor must submit each deliverable to the State for review, comment, and approval. The Contractor must include adequate estimates for State review, comment, and any Contractor re-work time in the Project Schedule.
       2. In the event the State finds a deliverable to be unsatisfactory, the State shall notify the Contractor of the reason(s) for deliverable rejection in writing. The State shall meet and confer with the Contractor to provide clarifications as requested or needed. The Contractor must then correct and resubmit the deliverable within agreed timeframes. Rejection of a deliverable by the State does not provide permission for delays in delivering subsequent deliverables unless approved by the State.

**5.2. Document Management**

* + 1. The State maintains a standard suite of software and designated versions. Such software includes, but is not limited to, the Microsoft family of products (Word, PowerPoint, Excel, Access, SharePoint) and Adobe Acrobat. The State expects the Contractor to ensure uniformity with its software standards. Software versions shall be available prior to the project start date.
    2. The State shall establish an OECOSL QA System electronic project library using Microsoft SharePoint that shall be used by the entire project team. All deliverables and documents related to this project must be managed in this electronic library.
    3. This project library will be the documentation repository and must serve as the primary access point for completed tangible results for each task. All deliverables and documents related to this project must be managed in this electronic library, including administrative information regarding budget, schedule, and project progress, as well as any other correspondence, reports, or project-related information.  Documents must be accessible immediately. The Contractor will work with the State to ensure that the documentation repository is logically organized.

**5.3. Project Planning**

Project planning establishes the basic project structure, evaluates the risks associated with the project, and describes appropriate management and technical approaches.

Project planning begins with a kick-off meeting between the Contractor and appropriate State staff from each participating State Agency, to be held at the State’s office in Indianapolis, IN unless otherwise approved by the State. During the kick-off meeting, the Contractor shall elaborate on the general approach, plan, and methods for implementing their solution for the State. This meeting should occur within 10 business days of the Contract start date.

Through project planning efforts, the Contractor shall develop the Project Management Plan (PMP). The PMP documents the actions necessary to define, prepare, integrate, and coordinate all subsidiary plans. It defines how the project will be executed, monitored, controlled, and closed. The Contractor must deliver the PMP, which shall include details on the following, within the first month of the project.

Project Schedule. Outlines all activities from the effective date of the contract to the end date of the Contract. The DDI phases of the project, as defined in Section 4, must not exceed twelve (12) months unless otherwise approved by the State. The Project Schedule must define the project’s overall objectives and describe all project tasks. The Project Schedule must be maintained throughout the life of the project and shall be updated as necessary to reflect the accurate status of the project.

Transition. In the event of a transition, the Contractor shall work with the State to develop and manage plans for transferring services to the new vendor or to the State.

Communication Management. Documents and guides the approach to project communication throughout the project lifecycle. It must address project status reporting, inter-project communication among the Contractor and State project staff, and communication with other State staff members in FSSA and other applicable State and Federal agencies contacts, as directed by FSSA

Schedule Management Plan. Encompasses activities related to accurately defining, monitoring, and controlling the time factors of the project.

Resource Management. Resource Management includes the processes that deal with planning and managing the Contractor’s project team.

Scope Change Management. The purpose of this Scope Change Management process is to ensure that standardized methods and procedures are used for efficient and prompt handling of all changes to the systems, services and IT infrastructure, in order to minimize the number and impact of any related incidents upon service.

The Contractor must participate fully in the change management process and ensure that they analyze and understand the impact of all changes regardless of the originating party.

* + 1. Configuration Management. Configuration Management encompasses the methods, processes, tools, and techniques for managing software and hardware configurations. The Contractor must have a plan for configuration identification, configuration control, configuration auditing/reporting for software, hardware, and associated documentation.

* + 1. Issue Management. The management of project issues through issue identification, tracking, and resolution is a key activity that must be maintained throughout the life cycle of the project. The Contractor must have a methodology for tracking issues through resolution and communicating resolution to project stakeholders. The Contractor must work cooperatively with the State to agree on the process and tools for documenting and maintaining Issue information that will provide, at a minimum, the following:
       1. Description of the issue
       2. Priority of the issue
       3. Dependencies and plans for resolution
       4. Staff responsibility assignments
       5. Impacts, if appropriate
       6. Targeted and actual resolution dates
       7. Resolution action
       8. Escalation activities, if appropriate

Data generated by the agreed upon issue-tracking tool will become a part of the Monthly Status Report.

* + 1. Risk Management. The Contractor must have a proactive risk management methodology and processes.
    2. Quality Management. Quality Management describes the processes used to assure that the project meets its quality requirements and obligations. The Contractor must ensure that they have an ongoing quality management process documented in their plans and that this process is designed to integrate with the efforts of the State fully.

**5.4. Project Status Reporting**

A key component of project communications for the project is status reporting. At a minimum, the Contractor must participate in regularly scheduled meetings and produce the specified documentation outlined below.

1. Monthly Status Meetings - The Contractor must conduct a status meeting every month with the State, or their designee, and other members of the project team. These meetings must follow a standard pre‐set agenda jointly prepared by the Contractor’s Project Manager and the State. Written meeting minutes must be produced, in a format agreed to with the State or its designee, within a week of the meeting, if requested by the State.. All meeting records and relative documentation must be stored in electronic format within the project’s approved SharePoint site, which must also include an index of meeting records. The repository must be accessible by both the Contractor and State or its designee staff at any time.
2. Monthly Status Reports - The Monthly Status Report must be produced in a format agreed to with the State or its designee and will describe: (1) overall project status including if the project is on schedule and within the project milestones and scope; (2) identification of all significant deviations from the project schedule, changes to milestones or scope and the causes and proposed remedies, (3) listing of significant issues and problems encountered, both resolved and unresolved, together with alternative solutions and recommendations for resolution of outstanding issues and problems; and (4) summary of performance against established performance targets during the previous month.
3. Performance Measurement Report – For each performance measurement listed in Section 12 as applicable to the project phase, provide a report with proof of meeting each performance requirement by the 10th calendar day of submitting the claim. Contractor must support their report with appropriate data/log files in a format approved by the State. If the Contractor’s log files are not maintained or are damaged in such a way that the Contractor cannot substantiate its performance against a performance target, it will be construed that the Contractor did not meet the performance target in question.
4. Time Tracking Report - Monthly summaries of hours worked by employee by activity.

**5.5. Change Management**

Change Management is the process of reviewing all change requests and approving and managing changes to evaluate the impact to time, cost, and quality. The following change management activities are required to address any scope changes, including any Enhancements:

* + 1. The State shall issue a Change Request (CR) within this Contract’s scope. The CR will include:
       1. Description of the proposed change, including requirements
       2. Justification of the change
       3. Implementation date
       4. Anticipated work location(s) and non-standard work hours, if applicable
       5. Deadline for Contractor to provide a Change Impact Analysis
    2. The Contractor shall respond with a Change Impact Analysis within fifteen (15) days (or such longer period as the Contractor and the State may mutually agree) following receipt of a Change Request. At a minimum the Change Impact Analysis will include:
       1. Description and justification of the proposed change
       2. Staffing plan (organization chart, staff names and titles)
       3. A proposed fixed-fee budget with a cost breakdown (hours by individual multiplied by contractual rates)
       4. Staffing projection analysis, with supporting documentation, of the reasons the Contractor believes the fees will be materially impacted by the proposed Change
       5. An analysis of the impact of the proposed Change on the following (as appropriate given the nature of the proposed Change):
          1. Scope of the Contract
          2. Projected or anticipated savings, if any
          3. Performance standards
          4. Delivery dates
          5. Security impacts and how they will be addressed
          6. Any other matter reasonably requested by the State or reasonably considered by the Contractor to be relevant
       6. A list of work products or deliverables
       7. A timeline for implementation of the proposed Change
    3. The State shall review the Change Request and Change Impact Analysis and approve the Change Request or disapprove it with feedback. Disapproved Change Requests may be resubmitted to address the State’s feedback.
    4. Once the Change Impact Analysis has been approved for implementation (including any modifications made during the review process), the Change Impact Analysis shall be deemed an approved Change Request. The Contractor shall not begin work on any Change Request prior to receiving this State approval.
    5. The Contractor shall update project documents to reflect the latest changes.
    6. The Contractor shall be paid the agreed-upon fixed fee for the Change Request, regardless of actual hours worked, upon State approval of the completion of the Change Request, unless otherwise approved by the State.

**5.6. Non-Billable Changes**

1. The State expects that the system will maintain continual Federal and State compliance. For this reason, all Contractor costs to put into effect changes required to maintain this compliance will be considered included in the fixed price deliverable Contract price.
2. Routine changes made in the ordinary course of the Contractor’s provision of services within the scope of its contract that do not change performance levels or reduce the Contractor’s capacity to attain established performance thresholds, such as changes to operating procedures, schedules, equipment configurations, must be made at no additional cost to the State. Examples of routine changes that are included in the routine maintenance of the system and to be performed at no additional cost to the State are:
3. Activities necessary for OECOSL to function in compliance with Federal and/or State law, Federal and/or State administrative rules, State policies, or operating manuals. This includes addressing deficiencies found after implementation of modifications incorporated into the system.
4. Activities necessary to comply with new industry standards and operating rules associated with those standards.
5. Activities necessary for the system to meet the contractual performance requirements.
6. Changes covered by the Warranty (see Section 9) will be provided to the State at no cost.

**6. Training**

The purpose of the training activities is to ensure all users receive training on the system and the associated business process changes. The Contractor shall develop the training courses and materials and deliver training according to the Training Plan. The Contractor shall work with the State in planning, developing, and implementing all training across the State-approved locations.

**6.1. Training Plan**

During the initial phases of the project (before development), the Contractor shall develop a comprehensive Training Plan for each group that shall be receiving training prior to system implementation and throughout the life of the Contract. Content includes, but is not limited to, the following elements for each trainee group:

* + 1. Description of proposed training methodology;
    2. Activities to support the various phases of the training (analysis, design, development, implementation and evaluation);
    3. Description of staff and resources required (tools, software and equipment);
    4. Definition of user roles;
    5. Identification and development of appropriate curriculum and delivery models;
    6. Validation and approval of training materials related to the system;
    7. Description of training assessment that shall include a remediation plan for addressing training that did not meet expectations and associated materials;

During early outreach to representatives of each end user party, input related to UX must be solicited and factored into the Training Plan.

**7. Systems Maintenance and Operations (M&O)**

**7.1. General Systems Support**

The Contractor shall:

1. Develop, execute, and manage processes and procedures required to provide technical and functional support for the system
2. Address all questions and reported problems related to the technical and functional operation of the system
3. Perform defect resolution of all defects discovered
4. Make routine maintenance changes in the ordinary course of the Contractor’s provision of services defined within the scope of its Contract (such as changes to operating procedures, schedules, equipment configurations) at no additional cost to the State.

**7.2. Infrastructure Management**

The Contractor shall:

1. Maintain the infrastructure architecture and tool set for all applicable non-production and production users
2. Support current and forecasted licensure in non-production and production environments
3. Ensure necessary licensure agreements are maintained with applicable parties
4. Plan and execute tasks required to ensure the system components stay relevant and useable. This support includes resolution of functional issues, application of patches, preventative maintenance, planning/execution of upgrades, and regular performance monitoring and performance reporting
5. Communicate to the State any available information on product roadmaps, planned upgrades, and enhancements, and seek State input when necessary at least on an annual basis.

**7.3. Application Monitoring**

The Contractor must monitor all system components to ensure that they are available per State requirements and in alignment with meeting and exceeding applicable SLAs (Section 12). This monitoring includes troubleshooting and security incident management. Additionally, the Contractor must provide recommendations on architecture or software/hardware adjustments that could be made to minimize operational risk on a semiannual basis.

**7.4. Incident Management**

The Contractor shall properly plan and conduct services to minimize the occurrence of incidents and/or problems with the system components. If incidents and/or problems arise, the Contractor shall work with the State to resolve issues in a timely manner. The Contractor shall have a clear escalation procedure through the appropriate chain of command to ensure that the production issue is getting the appropriate attention to meet the level of urgency.

**7.5. Access Management**

The Contractor shall assist in the definition of user roles and security configurations, specifically the creation of new roles and monitoring of user access rights in relation to internal requirements. The Contractor shall also manage unique logon IDs and security profiles for users authorized by the State, including other contractors, to have access to the system.

**7.6. Training**

The Contractor shall provide regularly scheduled training sessions for new State users and refresher training for existing users when needed. See Section 6 for more information.

**7.7. Enhancements**

The Contractor shall provide a capped Enhancements Pool of 500 hours a year. Enhancements shall be used to update the system to changes in federal policy. The State is not required to use up the hours and dollars allocated for the Enhancements Pool for each State Fiscal Year. Any design, development, and implementation activities needed for Enhancements shall be conducted according to the Contract’s system development lifecycle (SDLC) processes. Enhancements are defined as any system improvement or adaptation to the properly working application that requires over 40 hours of developer work approved by the State (with exceptions). These modifications shall be managed via the Change Management process (see Section 5.5).

Changes that are needed to fix an Enhancement after it is implemented and that are brought to the Contractor during the Software Warranty period shall not count towards the Enhancements Pool. Please see Section 9 for information about the System Warranty.

Please see Section 5.6 for changes that are not billable. These also apply to Enhancements.

Enhancement pricing will follow the fixed fee deliverables-based approach outlined in the Section 11.2. Payments for M&O, unless otherwise approved by the State. The State shall determine the method to use for each Enhancement through the Change Management process described in Section 5.5. The Contractor shall be paid the agreed-upon fixed fee for the Enhancement, regardless of actual hours worked, upon State approval of the completion of the Enhancement, unless otherwise approved by the State.

**8. End of Contract Turnover**

The State seeks to ensure that program stakeholders experience no adverse impact from the transfer of scope to either the State or to a successor contractor when the Contract is complete or terminated early. The following end of Contract turnover requirements apply:

* + 1. Six (6) months prior to the end of the Contract, or any extension thereof, the Contractor must develop and implement a State-approved Turnover Plan covering the possible turnover of the system and system M&O activities to either the State or a successor contractor. The Turnover Plan must be a comprehensive document detailing the proposed schedule and activities associated with the turnover tasks. The plan shall describe the Contractor's approach, and schedule for transfer of all SDLC and operational artifacts and documentation created, maintained, and updated throughout the Contract term. The information must be supplied on media specified by the State and according to the schedule approved by the State. Turnover task requirements and approximate timeframes are provided in the sections below. The dates and data requirements in the following sections are illustrative only and do not limit or restrict the State's ability to require additional information from the Contractor or modify the turnover schedule as necessary.
    2. Four (4) months prior to the end of the Contract, or any extension thereof, the Contractor must transfer the following information to the State or its agent on a medium acceptable to the State:
       1. A copy of non-proprietary solution components;
       2. All other SDLC and operational artifacts and documentation.

**9. Warranty**

* + 1. The Contractor represents and expressly warrants all services and deliverables provided under this Contract to be free of defects, properly functioning, and compliant with the terms of the Contract at no additional cost to the State. A defect is defined as any deviation from approved system specifications and requirements, including without limitation failure of system code to perform substantially as described in design documents.
    2. The warranty shall extend to ninety (90) days following the completion of the statewide Implementation. The Contractor agrees to provide corrections for any defects, discovered and/or reported by either the Contractor, State, or a State contractor during the ninety (90) day warranty period.
    3. For each Enhancement, the warranty shall extend to ninety (90) days following the release of the Enhancement into production.
    4. The Contractor further warrants that application software and all materials delivered to the State under this Contract will not infringe any patent, copyright, trade secret or other proprietary right of any third party.

**10. Project Staffing**

* + 1. The Project Staffing Plan must address the Contractor’s resource plans during all the DDI Deliverables as well as the resource plans to support maintenance and operations to include:
       1. Number, type, and categories of staff proposed
       2. Staff qualifications
       3. Ongoing training requirements
       4. Plan for new or reassigned staff
    2. The State reserves the right to reduce the staffing plan and replace categories of staff or certain individuals with State staff or other contracted staff with appropriate notice.  For example, the State may elect to contract out all training and replace Contractor training staff with State staff or State contracted training staff.
    3. The Contractor must be responsible for identifying and correcting performance issues for its entire staff (i.e., employees and subcontractors).  In the event of Key Staff performance concerns by the Contractor, the Contractor must notify the State as soon as reasonably possible to discuss and jointly determine the approach for resolution.  Should the State discover performance problems with any Contractor staff, the State will notify the Contractor’s Project Manager as soon as is reasonably possible so that the Contractor can begin resolution. The Contractor must remove any Contractor staff from the project upon the request of the State within fifteen (15) calendar days.
    4. The term “Key Staff,” for purposes of this RFP, means Contractor personnel deemed by the State as being both instrumental and essential to the Contractor’s satisfactory performance of all requirements contained in the Contract. The duties of these positions may be performed by a combination of two (2) or more Contractor personnel. The following are the list of Key Staff for this Contract:

|  |  |  |
| --- | --- | --- |
| **Key Staff** | **Minimum Qualifications and Experience** | **Job Description** |
| Project Manager | •Bachelor’s Degree in Computer Science, Information Technology or related field  •Project Management Professional certification or equivalent  •5 years of hands-on project management experience  •Direct experience implementing proposed solution | •Manage project team to stay on target for scope, quality, schedule and budget.  •Develop a detailed project plan to monitor and drive progress  •Provide client with contract deliverables and other project management artifacts  •Coordinate with IT teams in release planning, implementation and maintenance  •Coordinates requirements, schedules implementation and post-implement plans, and develops service-level agreements  •Facilitate change requests to ensure that all parties are informed of the impacts on schedule and budget  •Coordinate the development of user manuals, training materials and other documents as needed to enable successful implementation and turnover of the process or system to the clients  •Ensure timely communication and customer satisfaction |
| Business Analyst | •Bachelor’s Degree in Business, Management or related field  •Detail oriented, analytical and inquisitive  •Ability to work independently and with others  •Extremely organized with strong time-management skills | •Communicate, translate, and simplify business requirements to ensure buy-in from all stakeholders  •Discover, organize, and clarify business needs and review/produce specifications for change  •Conduct business process modeling and generate applicable scenarios for the system testing team  •Work with the technical team to ensure that they understand the specifications and design efficient solutions.  •Provide guidance to user acceptance testing team  •Create requirements and design documents as well as other related artifacts as required. |
| Developer | •Bachelor’s Degree in Software Engineering, Computer Science or related field  •3+ years of experience as Lead Developer  •Familiarity with Agile methodologies such as Scrum, with a focus on test-driven design  •Experience with .Net / JavaScript frameworks, User Interface, Database / Data Storage | •Develop integrated software and database applications to streamline processes and improve efficiency  •Customize existing applications and/or commercial off the shelf (COTS) applications as needed  •Complete software design and development tasks in accordance with project plan.  •Adhere to standard testing and version control practices  •Collaborate with Business Analyst, other teams and stakeholders in design, development, implementation and maintenance.  •Build and deploy cloud-base and/or on premise solutions |
| Tester | •Bachelor’s Degree in Computer Science, Information Technology or related field  •3+ years of experience as Software Quality Assurance Analyst  •Demonstrated skill of effective problem-solving  •Knowledge of software quality assurance methodologies, tools and processes | •Develop test plans, test cases, test scripts and test reports for system testing  •Perform testing to ensure software meets functional requirements  •Validate that user expectations are achieved during the testing process  •Review requirements and design documents to understand workflow and end to end operation  •Perform software testing and checkout for release implementation  •Collaborate with Developer, Business Analyst and other teams in troubleshooting and resolving defects quickly. |

* + 1. The Contractor’s Key Staff must be dedicated to the OECOSL project when their phase of work is active according to the Project Schedule.
    2. For any expected Key Staff changes by the Contractor, the Contractor must provide a thirty (30) calendar day notice to the State regarding the change and plans for transition.

**11. Payments**

**11.1. Payments for Deliverable**

After a deliverable is complete (as determined by written State approval), the Contractor shall invoice for one hundred percent (100%) of the deliverable if there were no instances of noncompliance with DDI Performance Targets. If there are one (1) or more instances of noncompliance with DDI Performance Targets within a deliverable:

* The Contractor shall invoice for ninety percent (90%) of the deliverable cost; and
* The Contractor shall follow the process outlined in Section 12.

The cost of each deliverable shall be based on the percentage of the total cost for all DDI Deliverables. The following table outlines the percentage of the total cost for all DDI Deliverables that shall be paid upon approval of each DDI deliverable.

Table 11.1. Payment for Each Deliverable

|  |  |
| --- | --- |
| **DDI Deliverables** | **% of Total Cost for DDI** |
| Requirements Validation | 10% |
| Design | 15% |
| Development | 25% |
| Data Conversion and Migration | 10% |
| Testing | 15% |
| Implementation | 25% |

**11.2. Payments for Change Requests**

For all State-approved Change Requests, the Contractor shall be paid agreed-upon fixed fee that is determined through the process defined in Section 5.5. Regardless of the number of hours worked on the Change Request, the Contractor shall be paid the fixed fee, unless otherwise approved by the State. The maximum for all Change Requests shall be no greater than 10% of the total cost for all the DDI Deliverables.

**11.3. Payments for M&O**

For the continual services provided according to Section 7 M&O, the Contractor shall be paid monthly based on actual hours expended, capped at $25,000 a month.

The Contractor shall log the hours worked for M&O in the Time Tracking report (see Section 5.4).

In addition to M&O, the Contractor shall provide system enhancements requested by the State according to Section 7.7. Contractor shall obtain State approval before commencing any enhancement work. The Enhancement Pool project shall be paid in a two-part process.

Enhancement Initiation - The time spent initiating the enhancement and gathering requirements shall be billed hourly per position. After requirements have been formally documented, they shall be presented to OECOSL for review and approval.

Enhancement DDI – Once the requirements for the Enhancement has been formalized, the State and the Contractor shall determine a fixed price for the Enhancement project. The project will then be broken into three deliverables that mirror the Design, Development, and Implementation deliverables for the DDI of the overall system.

Enhancement Design – The Enhancement Design deliverable shall be 10% of the total fixed price for the Enhancement project. It shall be considered complete when the State approves the design of the Enhancement.

Enhancement Development – The Enhancement Development deliverable shall be 55% of the total fixed price for the Enhancement project. It shall be considered complete when the State approves the development of the Enhancement.

Enhancement Implementation – The Enhancement Implementation deliverable shall be 35% of the total fixed price of the Enhancement project. It shall be considered complete when the State approves the implementation of the Enhancement and the 90-day warranty period has passed.

**11.4. Payments for Enhancements**

For all State-approved Enhancements, the Contractor shall be paid agreed-upon fixed fee that is determined through the process defined in Section 7.7. Regardless of the number of hours worked on the Enhancement project, the Contractor shall be paid the fixed fee, unless otherwise approved by the State. The maximum number of hours in the Enhancement Pool each year is 500 hours.

**11.5. Payments for Licensing**

The State shall pay licensing fees (if any) for an agreed-upon list of licenses at the start of the Contract at a fixed monthly cost. The State shall not pay any additional licensing fees that may be introduced throughout the life of the Contract, unless approved by the State.

**11.6. Payments for Hardware**

The State shall pay the cost of hardware (if any) according to an agreed-upon rate at the start of the Contract. The State shall not pay any additional hardware costs that may be introduced throughout the life of the Contract, unless approved by the State.

**11.7. Payments for Hosting**

The State shall pay the cost of hosting (if any) according to an agreed-upon rate at the start of the Contract. The State shall not pay any additional hosting costs that may be introduced throughout the life of the Contract, unless approved by the State.

**11.8. Hourly Rates**

The hourly rates for staff positions are as follows:

|  |  |
| --- | --- |
| **Staff Position** | **Hourly Rate** |
| Project Manager | TBD |
| Business Analyst | TBD |
| Developer | TBD |
| Tester | TBD |
| TBD | TBD |
| TBD | TBD |
| TBD | TBD |

These rates shall not be exceeded, unless approved by the State. These rates are to be used to calculate the M&O payment each month. Additionally, the cost of all deliverables and Enhancements shall be based on the estimated and approved hours it takes to complete said deliverable or Enhancement.

**12. Performance Measurement**

The Contractor will be held accountable to performance targets expectations covering the system. Failure to comply with performance targets will result in penalties described below.

**12.1. DDI Performance Measures, Targets, and Withholds**

The following are service levels for DDI activities. These will be reported monthly per DDI phase to the State in a written report, per Section 5.4.

* **DDI Deliverable Timeliness.** Meet DDI Deliverable completion deadline according to Project Schedule. Measured once for each DDI Deliverable.
* **Number of Defects Identified during UAT in Testing Deliverable.** For the Testing Deliverable, during UAT testing, the system shall have 0 defects with critical or high severity levels. This will be measured when the system has completed UAT testing. Measured only for the Testing Deliverable.

For each performance target that the Contractor fails to meet for any applicable DDI Deliverable, the State may withhold 10% of the DDI Deliverable fee. Note that if the Contractor fails to meet both performance targets for the Testing Deliverable, the State may withhold 20% of the DDI Deliverable fee (10% for the DDI Deliverable Timeliness performance target and 10% for the Number of Defects during UAT in Testing Deliverable performance target). The Contractor will have the opportunity to earn back withheld amounts for DDI Deliverables by receiving State approval of the Implementation Deliverable by the approved deadline. Any delays in meeting this final implementation deadline will result in the Contractor permanently losing the withheld amounts.

**12.2. M&O Performance Measures, Targets, and Withholds**

The following are service levels for M&O activities. These will be reported monthly to the State in a written report, per Section 5.4.

* **System Uptime**. The Contractor’s system must be available and operational 99.8% of the time. This includes all system functions under Contractor control, either directly or through a subcontractor and is measured on a monthly basis. The maximum unscheduled downtime during one episode before back-up systems are engaged is one (1) hour.
* **Response Time.** The average time it takes for the system to respond to a user performing an action in the system (e.g., clicking a button or running a query) shall be 15 seconds or less. The average response time will be measured monthly based on all applicable actions performed during the measurement month.
* **Average Time to Review a Case.** The average time it takes to review a case, defined from the time the case is opened to the time review of the case is concluded, shall be 6 minutes or less. The average time it takes to review a case will be measured monthly based on all applicable cases reviewed during the measurement month.

The Contractor must provide a report or other verifiable proof of meeting each performance requirement by the 10th calendar day of each month.

The Contractor must maintain the necessary data in appropriate log files to measure its performance against performance targets. If the Contractor’s log files are not maintained or are damaged in such a way that the Contractor cannot substantiate its performance against a performance target, it will be construed that the Contractor did not meet the performance target in question.

In each month, the Contractor shall automatically invoice for ninety percent (90%) of the M&O monthly fee. The remaining ten percent (10%) of the M&O monthly fee for a given month, shall be noted on the invoice but withheld (i.e., not invoiced), until the State determines that the Contractor has met all of that month’s Performance Targets. If the Contractor fails to meet one or more Performance Targets in a given month, the State may withhold 10% of that month’s M&O monthly fee. The State may take the full following month (beyond the invoiced month) to determine/confirm compliance.

If the State determines the Contractor has no instance of noncompliance with M&O Performance Targets, the 10% Performance Withhold is released, and the Contractor can include that amount in their invoice for the following month.

**12.3. Root Cause Analysis and Corrective Action Plan**

The Contractor will provide periodic (monthly and quarterly) updates on their performance in relation to the SLAs. When a performance target is not met, the Contractor must:

1. Document the issue
2. Assess the issue
3. Complete a Root Cause Analysis (RCA)
4. Prepare a plan for remediation
5. Submit the plan to the State for approval
6. Execute the plan
7. Assess the results of the plan

The timeframes for these actions will be finalized with the State during the monthly status meetings.

If the State determines that the Contractor is not performing to the satisfaction of the State, has not completed any deliverable in a satisfactory or timely manner, or upon written request by the State for any reason, the Contractor shall submit, within ten (10) business days of the occurrence or State request, a Corrective Action Plan (CAP). The nature of the corrective action(s) will depend upon the nature, severity, and duration of the deficiency and repeated nature. Severity shall be determined by the State, in its sole discretion.

At a minimum, the CAP shall address the causes of the deficiency, the impacts and the measures being taken and/or recommended to remedy the deficiency, and whether the solution is permanent or temporary. It must also include a schedule showing when the deficiency will be remedied, and for when the permanent solution will be implemented, if appropriate.

The Contractor may not receive any withholds back until the State approves that the CAP is completed and the proposed remedy is successfully implemented. Should the CAP not be submitted as required, or should the remedy not be implemented within the timeframe specified by the CAP, the withheld monies may be forfeited.